

**MURRAY CITY POWER ADVISORY BOARD**  
**Murray City, Utah**  
**November 7, 2013**

Minutes of the Murray City Power Advisory Board Meeting held on November 7, 2013, at the Murray City Power Department office located at 153 West 4800 South, Murray, Utah. Steve Meyer called the meeting to order at 4:15 p.m.

**Power Advisory Board Members Present:**

Steve Meyer  
Dallas DiFrancesco  
Jan Evans  
Lew Wood (telephonically)

**Department Staff Present:**

Blaine Haacke, General Manager  
Greg Bellon, Assistant General Manager  
Charles Crutcher, Engineering Manager  
Dianne Taylor, Office Administrator  
Bruce Turner, Operations Manager (excused)

**Others Present:**

Dan Snarr, Mayor  
Briant Farnsworth, Senior City Attorney

Mr. Meyer welcomed everyone to the Power Advisory Board meeting.

## **REVIEW OF MINUTES**

At the conclusion of the discussion regarding the October 3, 2013 Power Advisory Board meeting minutes, the following motion was made by Mr. DiFrancesco and seconded by Dr. Evans.

Motion was made to approve the minutes of the October 3, 2013, Power Advisory Board meeting, with corrections and clarifications.

**Vote:** Passed Unanimously

At the conclusion of the discussion regarding the October 11, 2013 Power Advisory Board meeting minutes, the following motion was made by Mr. DiFrancesco and seconded by Dr. Evans.

Motion was made to approve the minutes of the October 11, 2013, Power Advisory Board meeting, with corrections and clarifications.

**Vote:** Passed Unanimously

Mr. Meyer asked Mayor Snarr if he would read Natalie Gochnour resignation letter to the Power Advisory Board. Mayor Snarr stated this letter has been forwarded to the City Council. Mayor Snarr read:

“Mayor Snarr,

I appreciate your extraordinary contributions to Murray City. Your legacy of service will be felt for many years to come. Thank you for all you’ve done.

I’m writing to submit my resignation from the Murray City Power Advisory Board. The 4-1 decision from the City Council to eliminate the board makes clear the city does not value this community endeavor. Given this policy decision, I see no reason for the staff or community representatives like me to give the board any more time or resources.

It will not surprise you that I disagree with the way the city handled this. There is a better way to handle disagreements than to eliminate an important city function. In my experience, genuine problem solving in a spirit of good will would have been a far better approach. As Chair of the Power Advisory Board, I would have been happy to work with you and Blaine to address the

concerns of the council and preserve a valuable community asset. I feel like I was never given that opportunity.

I have always been proud to live in Murray. I still feel that way. But I'm not proud of how a city council against the advice of the mayor, department director and board chair made such a rash decision. The irony of eliminating the board during the 100th year of the power company and on a night when 50-year decisions were made about the power company was not lost on me. A board that I thought deserved praise was told to go away. That's no way to run a city and represent the good people of Murray.

Community advisory boards, particularly of an enterprise as large and visible as Murray Power, provide a valuable service to residents. The Power Advisory Board provides valuable feedback to the staff, serves as a champion for public power within the community and provides an additional community voice in how the people's power is paid for, generated and delivered. In my judgment, Murray City is the lesser without this important function.

Again, thank you for giving me the opportunity to serve on the Power Advisory Board. I have served on over two dozen community boards during my professional career, and I found this one to be among the most rewarding. That is a credit to our great city, the incredible staff at the power company and your service as mayor.

With appreciation,  
Natalie"

Mayor Snarr stated that he is disappointed with the City Council's decision to dissolve the Power Advisory Board. Mayor Snarr stated that he vetoed the ordinance. Mr. DiFrancesco asked if by vetoing the ordinance does that necessitate a new vote by the City Council. Mayor Snarr stated the veto by the Mayor will now require another vote by the City Council with the vote requirement of '4 in favor/1 against' or a unanimous vote by the City Council for the Power Advisory Board to be dissolved. Mayor Snarr stated that before the Council's vote at the City Council meeting he plans to state a few comments in order to stand up for what he believes in and to be in support of the Power Advisory Board.

Mr. Meyer stated for the record he would like to incorporate the letter that was sent to the City Council from the Power Advisory Board.

"October 15, 2013

Murray City Council  
5025 South State Street, Suite 112  
Murray, Utah 84157

Dear Council Members,

Thank you for your service to Murray City. We appreciate and respect your leadership and thank you for the opportunity to serve on the Murray City Power Advisory Board. As a citizen board, we express our commitment to the success of our city. We believe that safe, reliable and cost-effective electricity is central to this success.

In recent days we've been made aware of several concerns of council members regarding the Power Advisory Board. Please accept our apology for any misunderstanding or miscommunication that has occurred. We are writing this letter to apologize for this confusion, clarify how we view our role and convey the benefits to the city of maintaining a power advisory board.

#### *Role of Power Advisory Board*

We recognize the Mayor and City Council as the policy-setting bodies for Murray Power. We appreciate the general manager of Murray Power as the supervisor over all functions of the power department. Within this context, our role is completely advisory. The city ordinance speaks clearly in this regard when it says we act in an "advisory capacity" and that "all matters of general policy" shall be decided by the city. Our role is to serve as citizen advisors and champions of public power among Murray residents.

#### *Compensation and Fairness*

We view our service as volunteers. None of us lend our service to receive a stipend. We also believe board equity is a worthy goal within the city and would support council decisions to improve fairness among city advisory boards.

#### *Travel*

For many years, members of the Power Advisory Board have been beneficiaries of training that occurs at the annual conferences of the American Public Power Association (APPA) and Utah Associated Municipal Power Systems. We believe this training helps us better understand the complexity of the power industry, including energy sources, new technologies, financial trends and other core components. This training has made us better citizen advisors. Indeed, some members of the Power Board have paid their own expenses to attend the annual APPA conference. We have always followed strict protocols regarding meeting attendance and reported back to board members the lessons learned. We believe the city has benefited from this travel. We recognize any travel we do is at the invitation of the general manager and feel absolutely no entitlement to this travel.

#### *Benefits to the City of the Power Advisory Board*

The Power Advisory Board ensures ongoing, active involvement between Murray Power and the residents it serves. We advise activities related to operations, capital expenditures, portfolio mix, new technologies, conservation, pricing, contracts and customer relations. We serve as ambassadors within the city for public power. We volunteer our time at conferences and service projects within the city. In short, we have occasionally presented suggestions for making Murray Power an even better power company. We encourage you to recognize these benefits and to support the Power Advisory Board on an ongoing basis.

Thank you again for leading our city. And thank you for the opportunity to serve for the betterment of our community.

Sincerely,

---

Natalie Gochnour, Chair

---

Steve Meyer

---

Dallas DiFrancesco

---

Lew Wood

---

Jan Evans”

Mr. Meyer stated that the Board is saddened that Ms. Gochnour resigned and wished that she would have continued to be on the Power Advisory Board the rest of the year. Mr. Meyer stated on behalf of the Board he would like to thank Mayor Snarr for his support for giving them the opportunity to serve the Murray City community.

## **FINANCIAL AND STATISTICAL REPORT**

Mr. Bellon presented the Executive Summary for the period ending September 30, 2013. In the Financial and Statistical Report, he reported the all-time high monthly total of \$3.4 million in Metered Sales Revenue. The YTD net income exhibits \$2.2 million.

Mr. Bellon stated that upon Mr. DiFrancesco request, staff has downsized the Financial and Statistical Report to 8½”x 11” with the exception of Exhibit #8 which will remain on the bigger paper. Staff made this decision because the font ended up being too small to read due to the mass of information provided.

Ms. Meyer thanked Mr. Bellon for his presentation of the financial report.

## **MISCELLANEOUS DEPARTMENT UPDATES**

### **\*Century Celebration Report**

Mr. Haacke stated with the continuation of the 100-Year celebration Murray Power submitted a full page ad to the Murray Journal with a note of gratitude to the Murray City community. The ad features Power Department personnel standing in front of the power plant. The message reads: "Thank you Murray. Thank you for putting your trust in Murray City Power since 1913. Our commitment to you for the next 100 years is to provide safe, reliable electricity at the lowest possible prices while advancing our resources to support America's energy security and environmental sustainability."

### **\*UAMPS Report**

Mr. Haacke stated that the San Juan Project purchase of California offered MW has been tabled for now. He will keep the Power Advisory Board updated as more information becomes available, but for now negotiations between UAMPS and PNM (Public Service of New Mexico) have stalled.

### **\*IPA Contracts Report**

Mr. Haacke updated the Power Advisory Board on the IPA contracts. Mr. Haacke congratulated the Power Advisory Board for their IPA Contract recommendation which was well received and approved by the City Council. Mr. Farnsworth thanked the Power Advisory Board for their support throughout the entire process.

### **\* Delta Dairy Cow - Update**

Mr. Haacke updated the Power Advisory Board on the Delta dairy disappointment. Mr. Haacke stated that a mistrial was declared on November 4, 2013. The judge ruled a mistrial based on the affirmation that the jury had been exposed to outside information. A newspaper article in the Salt Lake Tribune detailing the mistrial was distributed to the Board for review. Mr. Haacke stated that after a month's worth of testimony the dairy cow trial ended in a mistrial. The dairy farmers wanted to prove that the IPA plant releases electricity into the ground as it converts its output from alternating to direct current for long-distance transmission to southern California. On the other hand, IPA had opposed saying that stray voltage could not reach the farms and could not affect the cows. Staff read a few excerpts from the trial.

*("Mistrial declared in dairy owners' suit against power station" Salt Lake Tribune. November 5, 2013, by Brian Maffly)*

### **\*IPA Summer Callback 2014**

Mr. Haacke stated that every six months the Power Department has to weigh the value of IPA and examine its resource mix and the future pricing of natural gas and wholesale market. Therefore, a decision regarding whether to use IPA coal fired energy for the season or not to use it has to be made. The recommendation of staff is not to call back any IPA coal fired energy for the April to September summer period of 2014. Furthermore, by contract, Murray has to give notice for subsequent seasons. Murray therefore will opt to reserve 9,504 Kw for the Summer 2015 season and 9,504 Kw for the winter 2015-16 season. This is done to advance notice to the California participants that Murray may/or may not exercise its right on the 9,504 kw as the time comes closer.

Mr. Haacke thanked the Board for their interest in this important decision and acknowledged the complexity of this issue that the Power Advisory Board have speedily understood and grasped.

### **POWER ADVISORY BOARD CHAIR COMMENTS**

Mr. Meyer reviewed the monthly projects:

- ✓ Individual project or event for each month of the year
  - ✓ January. Slogan Contest Complete.
  - ✓ February. Neon Sign to be repaired & placed on diesel plant. Complete.
  - ✓ March. Scoreboard placement in Murray Park. Complete.
  - ✓ April. Murray City Power Story in Tribune. Complete.
    - ✓ “Power by the people: Murray celebrates 100 years of operating own utility”
    - ✓ KSL Radio Murray City Power 100-year Promo ‘Speaking on Business’ with Chris Redgrave.
  - ✓ May. Retiree Luncheon. Complete.
  - ✓ June. Murray Power 100-Year Banners along State Street-Complete.
  - ✓ July. Float / Parade / Fun Days / Fireworks. Complete.
  - ✓ August. Heritage Center Essay Contest. Complete.
  - ✓ September. Public Power Celebration. Complete.
  - ✓ October. ‘Thank You Murray’ Murray Journal ad. Complete.
  - ✓ November. Power Staff & City Videography to Website and You-Tube.
  - ✓ December. Happy Birthday Celebration – December 5<sup>th</sup>.

Mr. Meyer thanked Power Department staff and the Power Advisory Board members for their great work in the 100-Year Anniversary Celebration but at this point we do not want to drop the ball. Mr. Meyer stated that this has been a satisfying and productive year and as a Board we would like to bring forth a 100-Year Anniversary birthday party in order to thank Power Department staff. The Power Advisory Board would like to host and sponsor the birthday

party by donating their November and December \$75 meeting compensation to pay for birthday refreshments. The Board would ask staff to help in sending out invitations to special guests such as the Mayor, Mayor elect, City Council, new City Council members, past Power Advisory Board members and Power Department retirees. The celebration will be held prior to the next Power Advisory Board meeting scheduled for December 5, 2013 from 2:30 - 4:00 p.m.

At the conclusion of the discussion regarding the Power Advisory Board hosting and sponsoring a 100-Year Birthday Party for Murray City staff, the following motion was made by Mr. DiFrancesco and seconded by Dr. Evans.

Motion was made by Power Advisory Board to host and sponsor a 100-Year Birthday Party to thank Power Department staff for their service to the Murray City community and has been arranged to be held on December 5, 2013 at 2:30 p.m. - 4:00 p.m.

**Vote:** Passed Unanimously

Dr. Evans suggested that Murray Power staff and special Murray City sites could be videotaped throughout the month. For instance, crews could be followed by a videographer while putting lights on the tree at City Hall, hanging decorations on the street lights on State Street, Murray City homes or businesses that have beautiful holiday lighting. Mr. DiFrancesco suggested the videographer could seem as though he is driving through the City and stopping at special sites and then speed up the film to highlight the sites chosen. Dr. Evans stated that at the end we put the picture of the Power employees and wish everyone a happy holiday. This could be displayed on Murray City's website and also You-tube.

At the conclusion of the discussion regarding the Power staff and special Murray City to be videotaped to be displayed on Murray's website and You-Tube, the following motion was made by Mr. DiFrancesco and seconded by Dr. Evans.

Motion was made by Power Advisory Board to have Power staff and special Murray City sites be videotaped and then be displayed on Murray's website and You-Tube.

**Vote:** Passed Unanimously

Mr. Meyer stated that the videography could be November's project and the Birthday celebration could be for the December project to complete a wonderful year in celebrating the 100-Year anniversary of Murray City Power.

Mayor Snarr stated this is a great idea and a fun ending to a great year in celebrating the 100-Year anniversary of Murray City Power.



## **MONTHLY REPORTS**

A summary packet was submitted to the Power Advisory Board for review.

Included in the packet were:

- 1) Department Monthly Report (monthly activities).
- 2) Reliability statistics.

Mr. Crutcher reported on the Hilton Hotel located on State Street and Vine. He stated the steel pole has been installed and the construction crews are currently working on the relocation. This project is complete from the planning perspective. Line crews are currently removing underground cable and junction boxes in preparation for the new hotel. Once the contractor is ready crews will go back and complete installing the underground system and complete the installation of primary underground circuits.

Ms. Meyer thanked Mr. Crutcher for his report.

## **UPCOMING EVENTS**

1. IPA Annual Meeting  
Tuesday, December 3, 2013  
Grand America Hotel @ 11:00 a.m. – 1:00 p.m. (lunch provided)
2. 100-Year Happy Birthday Celebration  
December 5, 2013  
@ 2:30 – 4:00 p.m.
3. Power Advisory Board Meeting  
December 5, 2013  
@ 4:00 p.m.
4. UAMPS Annual Banquet – Downtown Marriott  
December 17, 2013  
Tuesday @ 7:00 p.m.
5. UAMPS Annual Meeting – Downtown Marriott  
December 18, 2013  
Wednesday @ 9:00 a.m. – 1:00 p.m.
6. Power Advisory Board Luncheon  
To be determined

## **OTHER BUSINESS**

### **\* Newspaper Articles**

Mr. Bellon stated that the articles included under the Other Business section are meant to provide the Power Advisory Board members with additional background information on pertinent regional and utility issues. By keeping abreast of these issues, staff and Power Advisory Board members will be more keenly aware of issues when decisions are made.

With no further business to come before the Power Advisory Board, Mr. Meyer adjourned the meeting at 6:20 p.m. Minutes recorded and transcribed by Dianne Taylor.

The next regularly scheduled Power Advisory Board meeting date will December 5, 2013.